



STATE OF WEST VIRGINIA  
OFFICE OF THE ATTORNEY GENERAL  
DARRELL V. MCGRAW, JR.  
CONSUMER PROTECTION DIVISION  
1-800-368-8808 or 304-558-8986

# Press Release

---

March 20, 2002

FOR IMMEDIATE RELEASE CONTACT: Norman Googel  
1-800-368-8808  
304-558-8986

**ATTORNEY GENERAL DARRELL V. MCGRAW, JR.  
SECURES SETTLEMENT WITH BECKLEY HEALTH SPA**

Attorney General Darrell V. McGraw, Jr. recently secured a settlement with L.A. East Fitness, Inc., a Beckley health spa, relating to the company's unlawful debt collection practices. As a result of the settlement, West Virginia consumers will receive approximately \$43,756.95 in canceled debt relief and refunds from L.A. East.

Attorney General McGraw's office opened an investigation last year after numerous former spa members complained about receiving threatening telephone calls and letters from Roberts & Roth Corp., a Florida collection agency, and Robert W. Bird, a Florida lawyer who was also retained to collect L.A. East accounts. The Attorney General's investigation revealed that neither Roberts & Roth nor Bird were licensed to collect debts in West Virginia.

The Attorney General's investigation also determined that both Roberts & Roth and Bird had violated numerous state and federal laws while collecting debts for L.A. East, including impersonating lawyers and court officials to coerce payments; threatening arrest or criminal prosecution; calling consumers repeatedly at home and work; wrongfully disclosing consumers' indebtedness to employers and other third parties; and making false threats to sue or take other actions prohibited by law.

Many consumers complained directly to L.A. East about the abusive debt collection practices but were informed, incorrectly, that there was "nothing we can do about it" once the accounts are referred outside for collection. However, L.A. East severed its ties with the Florida debt collectors after Attorney General McGraw's office intervened. The Attorney General's investigation also found that L.A. East violated debt collection laws directly by threatening to increase consumers' unpaid account balances by up to 50% before hiring the Florida collection agencies.

The settlement with the Attorney General's office also requires L.A. East to refrain from hiring unlicensed collection agencies and from threatening to add debt collection and other fees onto consumers' unpaid balances. L.A. East must also promptly investigate and take action on any future complaints it may receive about outside collection agencies.

Attorney General McGraw stated, "West Virginia law prohibits debt collectors from using oppressive and abusive tactics to coerce consumers to pay debts. Moreover, outside collection agencies must obtain a license through the State Tax Department before collecting debts in West Virginia. My office will continue its vigilance to make sure that debt collectors do not use unlawful tactics when collecting debts from consumers."

Any persons wishing to file a complaint about a consumer matter or to alert the Attorney General's office about unfair or deceptive practices may do so by calling the Consumer Protection Hotline at 1-800-368-8808, or by printing a complaint form from this web site.

###